



INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE

June 29, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *Ex Parte* Communication: WC Docket Nos. 10-90, 07-135, 05-337, 03-109, 05-25; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; MB Docket Nos. 10-71, 09-182, 07-294, 12-68, 07-18, 05-192, 11-128, 11-154; RM-10593

Dear Ms. Dortch:

On June 27, 2012, Genevieve Morelli, President of the Independent Telephone & Telecommunications Alliance (“ITTA”); John Jones, Vice President, Policy and Federal Legislative Affairs of CenturyLink; Matt Dosch, Senior Vice President, External Affairs of Comporium; Mike Schultz, Vice President, Regulatory & Public Policy of Consolidated Communications; Pat Morse, Senior Vice President, Governmental Affairs of FairPoint Communications; Kevin Hess, Senior Vice President, Government & Regulatory Affairs of TDS Telecom; and the undersigned met with Commissioner Pai and Nick Degani, his wireline legal advisor, to provide an overview of ITTA’s positions in the above-referenced proceedings relating to universal service, intercarrier compensation, retransmission consent, program access, video accessibility, and special access service. The attached presentation, provided during the meeting, summarizes what ITTA discussed.

ITTA highlighted its concerns with the Commission’s efforts to revise its rules relating to originating switched access services as part of its reform of the federal universal service and intercarrier compensation (“USF/ICC”) regime. ITTA member companies have been preparing for months to implement the rule changes relating to terminating switched access traffic that go into effect this July. This process has been challenging, particularly as the Commission has yet to rule on a number of issues pending on reconsideration. The Commission should wait until these changes take full effect and the marketplace has had the opportunity to reach equilibrium before pursuing further distribution side reforms.

On the other hand, the FCC should move quickly to reform the contribution side of the federal USF/ICC regime. Contribution mechanism reform is overdue. ITTA maintains that the Commission should have addressed reform of the current contribution system before or concurrently with the changes it made to its USF distribution system. ITTA is in the process of

developing a comprehensive framework for the assessment and collection of USF contributions. Regardless of the specific methodology ultimately adopted by the Commission, however, the new contribution assessment system should conform to the following important principles: competitive neutrality, flexibility, predictability, regulatory parity, scalability, administrative ease, simplicity, and accountability.

ITTA also pointed out that all of its members offer a video product to subscribers. As new entrants to the video distribution marketplace, ITTA members face unique challenges. The provision of video service is necessary for ITTA members to compete against incumbent providers, yet their unequal bargaining power in comparison to programmers and the dominant video providers in the markets they serve translates to higher rates and unfair terms for the carriage of both broadcast and non-broadcast programming.

ITTA member companies offer a huge benefit to subscribers by providing video in addition to data and voice service. Their provision of video also facilitates broadband deployment and adoption because ITTA members who offer video as part of their service offerings have higher broadband take rates among their subscribers. The FCC's policies on retransmission consent and program access must promote ITTA members' reasonable and non-discriminatory access to video content in order to further competition and broadband deployment and adoption goals. Furthermore, the Commission should strive with respect to implementation of its policies relating to video accessibility not to place significant burdens on ITTA member companies and other regulated entities.

Finally, ITTA highlighted its support of the Commission's announced plans to initiate a mandatory data request in its special access docket. ITTA supports a data-driven analysis of the competitiveness of the special access marketplace and maintains that any reform of the current special access rules must be fully supported by marketplace data.

Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,



Micah M. Caldwell
Vice President, Regulatory Affairs

Attachment

cc: Commissioner Pai
Nick Degani